

**CUSTOMERS SATISFACTION TOWARD
SERVICE QUALITY IN RFC RESTAURANT: A
CASE STUDY IN KEDAH**

SITI AMINAH BINTI SAYUTI

UNIVERSITI UTARA MALAYSIA

2011



KOLEJ PERNIAGAAN
(College of Business)
Universiti Utara Malaysia

PERAKUAN KERJA KERTAS PROJEK
(Certification of Project Paper)

Saya, mengaku bertandatangan, memperakukan bahawa
(I, the undersigned, certified that)

SITI AMINAH BINTI SAYUTI (806105)

Calon untuk Ijazah Sarjana

(Candidate for the degree of) **MASTER OF SCIENCE (MANAGEMENT)**

telah mengemukakan kertas projek yang bertajuk
(has presented his/her project paper of the following title)

CUSTOMERS SATISFACTION TOWARD SERVICE QUALITY IN RFC RESTAURANT : A CASE
STUDY IN KEDAH

Seperti yang tercatat : muka surat tajuk dan kulit kertas project
(as it appears on the title page and front cover of the project paper)

Bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(that the project paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the project paper).

Nama Penyelia : **DR. MUHAMMAD NASRI BIN MD. HUSSAIN**
(Supervisor's name)

Tandatangan :
(Signature)

Tarikh : **14 FEBRUARY 2011**
(Date)

PERMISSION TO USE

In presenting this thesis in partial fulfillment of requirements for a post graduate degree from Universiti Utara Malaysia, I agree that the University Library may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor or, in his absence, by the Assistant Vice Chancellor of College of Business, UUM. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be of any material from thesis.

Request for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:

Assistant Vice Chancellor

College of Business

Universiti Utara Malaysia

06010 Sintok

Kedah Darul Aman

ABSTRACT

The study investigated the relationship between the five dimension of service quality and the customer satisfaction among customers in four of the Radix Fried Chicken Branch in Kedah, Malaysia. The objective of the study were 1) to examine the level perceived service quality and customers satisfaction, 2) to examine the relationship between service quality and customers satisfaction 3) to determine how the attribute service quality (tangible, reliability, responsiveness, assurance, and empathy) influence and effect customers satisfaction. Based on the literature review a model of relationship was proposed and developed to examine the relationship between the five factors of service quality and customer satisfaction. To test the relationship of the variable in the model, data from 310 customers dining there was taken. To test the relationship hypotheses of the study, correlation, and multiple regression analysis were performed. The correlation analysis suggested positive and significant relationship among five service quality variable and the customer satisfaction. The correlation results suggest that customers satisfaction positively and significantly associate with the perceive level of five service tangibility, reliability, responsiveness, insurance and empathy. The result of the correlation analysis showed that if perceived service quality in all five dimensions is experienced at higher level, customer's satisfaction will be higher. Multiple analysis regression result shows that among the five factors of service quality, empathy, assurance, and the reliability were the three main predictor variable to overall customer's satisfaction and significantly and positively influence overall customer's satisfaction.

ABSTRAK

Kajian ini dilakukan untuk mengetahui diantara kelima-lima faktor kualiti perkhidmatan dan kepuasan pelanggan di empat cawangan Restoran Radix Fried Chicken Kedah, Malaysia. Objektif kajian ini adalah untuk 1) menyelidik tanggapan yang dapat mempengaruhi kualiti perkhidmatan dan kepuasan pelanggan. 2) menyelidik hubungan diantara kualiti perkhidmatan dan kepuasan pelanggan. 3) untuk menentukan bagaimana atribut perkhidmatan (kebolehnyataan, kebolehpercayaan, ketanggapan, jaminan, dan empati) pengaruh dan kesan kepuasan pelanggan. Berdasarkan kepada ulasan, model hubungan telah dicadangkan dan dihasilkan untuk memeriksa hubungan di antara kelima-lima faktor di dalam kualiti perkhidmatan dan kepuasan pelanggan. Bagi menguji hubungan pemboleh ubah dalam model ini, data daripada 310 pelanggan yang sedang makan di restoran telah diambil. Bagi menguji hubungan hipotesis kajian, korelasi dan analisis pelbagai telah dijalankan. Analisis hubungkait telah mencadangkan kepentingan dan hubungan yang positif diantara kelima-lima pemboleh ubah kualiti perkhidmatan dan kepuasan pelanggan. Keputusan hasil kajian melalui analisis hubungkait di antara kualiti perkhidmatan dan kepuasan pelanggan telah mencadangkan bahawa kepuasan pelanggan adalah positif dan nyata berkait rapat dalam mempengaruhi tahap kebolehnyataan, kepekaan, keyakinan, dan keehsanan. Keputusan analisis hubungkait antara kualiti perkhidmatan dan kepuasan pelanggan menunjukkan jika faktor tanggapan kualiti perkhidmatan dalam kelima-lima dimensi adalah tinggi, maka kepuasan pelanggan dengan sendirinya akan meningkat. Keputusan analisis pelbagai regresi menunjukkan bahawa di antara kelima-lima faktor kualiti perkhidmatan, keyakinan, keehsanan, dan kebolehpercayaan diramal sebagai tiga pembolehubah utama terhadap kepuasan pelanggan.

ACKNOWLEDGEMENT

All praise due to Allah SWT, the Lord of the world that makes it possible for me to complete this project paper. Blessing and salutation also be on Prophet of Allah SWT, Muhammad SAW. I would like to take this opportunity to express my gratitude and appreciation to the following individuals whose guidance and contribution in preparing this paper.

Firstly, I would like to express my gratefulness and appreciation to my supervisor, Dr. Muhammad Nasri bin Md. Hussain for her guidance, encouragement and advices throughout the process of completing this project paper. Word of appreciation also goes to all RFC members for their cooperation, tolerance and concerns. I am truly indebted for their contribution in terms of time, patience, attentions and efforts for the completion of this project paper.

A very special thanks to my beloved friends, whose love, faith, patience and continuous supports have, gave me the encouragement to complete this study. I'm also would like to express my gratefulness to my beloved parents, Haji Sayuti Bin Subari and Hajah Nor Siah binti Diron and my siblings for their constant demonstrations of love and continuous moral supports throughout my years of study. I would like to thank all respondents of this study without which this study would not have been successful. Last but not least, my thanks to all who are involved direct and indirectly in the process of completing this study.

TABLE OF CONTENT

PERMISSION TO USE.....	i
ABSTRACT.....	ii
ABSTRAK.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii

CHAPTER 1: INTRODUCTION

1.1 Background of the Study	1
1.2 Problem Statement.....	2
1.3 Research Questions.....	4
1.4 Objective of the Study	4
1.5 Significant of study	5
1.6 Scope of the Study	6
1.7 Organization of the Project Paper	6
1.8 Limitations	8

CHAPTER 2: LITERATURE REVIEW

2.1 An Overview of Customer Satisfaction	9
2.2 Definition of Satisfaction	11
2.3 The Concept of Service.....	12
2.4 Definition of Service Quality.....	13
2.5 Dimension of Service Quality.....	16

2.6 The Relationship Service Quality and Customer Satisfaction	22
2.7 Related Previous Studies on Customer Satisfaction	23

CHAPTER THREE: METHODOLOGY

3.1 Research Framework	24
3.2 Hypothesis Development.....	25
3.3 Research Design	26
3.3.1 Sample and Unit Analysis.....	26
3.3.2 Data Collection.....	27

CHAPTER FOUR: RESULT AND DISCUSION

4.1 Customer Demographic.....	33
4.2 Reliability of the Instrument.....	35
4.3 Descriptive Statistic of Variable.....	36
4.4 Correlation Analysis.....	41
4.5 Multiple Regression Analysis.....	43

CHAPTER FIVE: CONCLUSION

5.1 Discussion of Finding.....	46
5.2 Conclusion.....	48
5.3 Implication.....	48
5.4 Recommendation.....	49

REFERENCES.....	50
------------------------	-----------

APPENDIX.....	54
----------------------	-----------

LIST OF TABLES

Table 1	SERVQUAL dimension	17
Table 2	Likert Scale for SERVQUAL items	30
Table 3	Reliability Coefficients of the Construct (Pilot Test)	32
Table 4	Background Respondent	34
Table 5	Reliability Coefficients of the Construct	35
Table 6	Descriptive Statistics of Variable	37
Table 7	Average Dimension service quality (tangible)	37
Table 8	Average Dimension service quality (reliability)	38
Table 9	Average Dimension service quality (responsiveness)	38
Table 10	Average Dimension service quality (assurance)	39
Table 11	Average Dimension service quality (empathy)	40
Table 12	Average Dimension service quality (CS)	41
Table 13	Correlation Matrix	42
Table 13	Overall influence SQ and CS	44

LIST OF FIGURES

Figure 1	Conceptual model of service quality	20
Figure 2	Research Framework	24

1.1 Background of the Study

Customer satisfaction is a measurement of how products and services supplied by a company or organization met customers' expectation. It has been accepted as a key performance indicator for business organization. In a competitive marketplace where businesses compete for customers in term of quality and also gain their profit through customer satisfaction. Customers' satisfaction is a key differentiator and now has become a key element of business strategy.

Customer satisfaction is recognized as an important goal (Ammar et al., 2008) largely because empirical studies establish a relationship between customer satisfaction, customer loyalty and long-term profitability. Specifically, during the past two decades, research center around exploring customer satisfactions impact on customer retention and loyalty, branding, profits, market share and growth (Birgelen, 1997). Therefore, it is not surprising that organizations spend substantial resources measuring and managing customer satisfaction (Lee, 2005).

Satisfaction has been widely debate by researchers as organizations increasingly attempt to measure it. Customer's satisfaction can be experienced in a variety of

The contents of
the thesis is for
internal user
only

REFERENCES

- Ammar, S., Moore, D. and Wright, R. (2008), Analyzing customer satisfaction surveys using a fuzzy rule-based decision support system: enhancing customer relationship management, *Journal of Database Marketing and Customer Strategy Management*, Vol. 15 No. 2, pp. 91-105.
- Anderson, E. W. & Fornell, (1994). A customer satisfaction research prospectus. In R.T. Rust & R. L. Oliver (Eds.), *Service Quality: New directions in theory and practice* (pp. 241-268). Thousand Oaks, CA: Sage
- Berita Harian Metro, February 14, (2009).
- Berry, L.L. and Parasuraman, A. (1993), Building a new academic field ± the case of services marketing, *Journal of Retailing*, Vol. 69 No. 1, pp. 13-60.
- Birgelen, M. (1997), Commitment in service relationships: an empirical test of its antecedents and consequences, EMAC Conference Proceedings, European Marketing Academy, Brussels, pp. 1255-71.
- Bolton, R.N. and Drew, J.H. (1991), A multistage model of customers' assessment of service quality and value, *Journal of Consumers Research*, Vol. 17, March, pp. 375-87.
- Boulding, W, (1993). A dynamic process model of service quality: from expectations to behavioural intensions. *Journal of Marketing Research*, 30(1), 7-27.
- Brown, T.S., Churchill, G.A. and Peter, J.P (1993), Research note: more on improving service quality measurement, *Journal of Retailing*, Vol.69, Spring, pp. 127-39.
- Buttle, F. (1996), SERVQUAL: review, critic and research agenda, *European Journal of Marketing*, Vol. 30 No. 1, pp. 8-32.
- Buzzel, R.D. and Gale, B.T. (1987), *The PIMS Principles*, Free Prees, New York, NY.
- Cadotte, E., (1987), Expectations and norms in models of consumer satisfaction, *Journal of Marketing Research*, Vol. 24 No. 3, pp. 305-14.
- Cavana, R. Y., Delahaye, B.D & Sekaran, U, (2001). *Applied business research: qualitative and quantitative method*. Melbourne: John Wiley & Sons.
- Chung, B.G. and Schneider, B. (2002), Serving multiple masters: role conflict experienced by service employees, *Journal of Services Marketing*, Vol. 16 No. 1, pp. 70-87.

- Cronin, J.J Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55-68.
- Dabholkar, P.A., Shepherd, D.C. and Thorpe, D.I. (2000), A comprehensive framework for service quality: an investigation of critical conceptual and measurement issues through a longitudinal study, *Journal of Retailing*, Vol. 76 No. 2, pp. 139-73.
- Emerson, R.L., (1990). *The new economics of fast food*. Van Nostrand Reinhold, USA.
- Fisk, R.P., Brown, S.W., and Bitner, M.J. "Tracking the Evolution of the Services Marketing Literature". *Journal of Retailing* (69:1), Spring 1993, pp. 61-103.
- Fisk, R., Gountas, S, Hume, M, John, J. (2007). *Services marketing* (First Asia Pasific ed.). Milton, Australia: John Wiley & Sons.
- Fornell, C. (1992), A national customer satisfaction and service quality: two constructs or one?, in Cravens, D.W. and Dickson, P.R. (Eds), *Enhancing Knowledge Developments in Marketing*, No. 4, American Marketing Association, Chicago, IL, pp. 10-18.
- Foster, T. Jr (2001), *Managing Quality: An Integrative Approach*, Prentice-Hall, Upper Saddle River, NJ.
- Frinkelstein, j., (1989). *Dining out: sociology of modern manners*. Polity Press, Cambridge, UK.
- Garvin, D.A. (1983). *Managing Quality. The Strategic and Competitive Edge*. New York: Free Press.
- Gilmore, A. and Carson, D. (1992), Research in service quality: have the horizons become too narrow?, *Marketing Intelligence & Planning*, Vol. 10 No. 7, pp. 5-7.
- GroËnroos, C. (1984), A service quality model and its market implications, *European Journal of Marketing*, Vol. 18 No. 4, pp. 36-44.
- Hendershott, A., Wright, S., and Henderson, D. (1992). Quality of Life Correlates for University Student. *NASPA Journal*, 30 (I): 10-19.
- Jabnoun, N. and Al Rasasi, A.J. (2005), Transformational leadership and service quality in UAE hospitals, *Managing Service Quality*, Vol. 15 No. 1, pp. 70-81.

- Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1985). A conceptual model of service quality and its implications for future research. *Journal of marketing*, 49 (3), 25-46.
- Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1986). SERVQUAL: a Multiple-Item Scale for marketing customers perception of service quality (working paper no. 86-108): Marketing Science Institute.
- Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1988). SERVQUAL: Multiple-Item scale for measuring consumers perception of service quality, *Journal of Retailing*, 67 (4), 421-450.
- Parvez (2005), A Relationship Study on Service Quality, Switching Cost, Trust, Customer Satisfaction and Customer Loyalty in the context of Grameephone. Independent University, Bangladesh.
- Schlesinger, L.A. and Heskett, J.L. (1991), *The service-driven service company*, Harvard Business Review, Vol. 69 No. 5, pp. 71-81.
- Schneider, B. and Bowen, D.E. (1985), Employee and customer perceptions of service in banks: replication and extension, *Journal of Applied Psychology*, Vol. 70 No. 3, pp. 423-33.
- Tax, S.S. and Brown, S.W. (1998), Recovering and learning from service failure, *Sloan Management Review*, Vol. 40 No. 1, pp. 75-88.
- Yi. Y. (1990), A Critical Review of customer satisfaction, in Zeithaml, V. A (Ed), *Review of Marketing 1989*, American Marketing Association, Chicago, IL.
- Yousef, D.A. (2000), Organizational commitment: a mediator of the relationships of leadership behaviour with satisfaction and performance in a non-western country, *Journal of Managerial Psychology*, Vol. 15 No. 1, pp. 6-28.
- Zeithaml, V.A. (1981), How consumer evaluation processes differ between goods and services, in Donnelly, J.H. and George, W.R. (Eds), *Marketing of Services*, American Marketing Association, Chicago, IL, pp. 186-90.
- Zeithaml, V.A. (1988), Consumer perceptions of price, quality and value: a means-end model and synthesis of evidence, *Journal of Marketing*, No. 52, July, pp. 2-22.

APPENDIX

A